

STATE OF WISCONSIN

**Department of Agriculture,
Trade and Consumer Protection**

BIENNIAL REPORT

for

2001-2003





State of Wisconsin
Jim Doyle, Governor

Department of Agriculture, Trade and Consumer Protection
Rod Nilsestuen, Secretary

October 15, 2003

To: The Honorable Jim Doyle, Governor of Wisconsin
The Honorable Members of the Wisconsin State Legislature

Enclosed please find the 2001-2003 Biennial Report of the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP). This report reviews the accomplishments and activities of the department over the past two years.

The importance of agriculture to Wisconsin underlines the importance of DATCP's mission. For more than 150 years, agriculture has driven Wisconsin's state's economy. It remains the number one industry in Wisconsin, generating \$40 billion in economic activity and employing over 200,000 jobs -- one of every five people in the state.

Helping to grow this vital economic sector is an essential part of the DATCP mission. The department offers a variety of market development programs to expand economic opportunities for Wisconsin farmers and agribusinesses and to promote Wisconsin agricultural products in state, national and international markets.

Since 1929, the department has also been the state's primary consumer protection agency, working to protect the health, safety and pocketbooks of our citizens. We work aggressively and proactively to uphold the business climate for which Wisconsin is so famous -- a climate in which honest competitors can thrive and prosper.

No one could have foreseen the dramatic events that have shaped our state, nation, and world in 2001, thrusting this department into a key role in our homeland's defense. Every point in food production infrastructure is a potential target, from the farm to the feed, fertilizer and pesticide plants, to meat and dairy processing plants and to retail outlets. DATCP regulates all these entities and has primary responsibility to safeguard our food supply from potential acts of terrorism. We are now asked to be on high alert, doing the things we do everyday. We will continue to work hard to ensure the safety of Wisconsin food products at every stage of its production, from the farm to the family table.

The importance of farming and rural Wisconsin goes beyond economics. We at DATCP take great pride knowing that our efforts help preserve a way of life that is the backbone of our Wisconsin culture and values.

Sincerely,

Rod Nilsestuen
Secretary

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AGENCY OVERVIEW-INTRODUCTION

DEPARTMENT MISSION

The Wisconsin Department of Agriculture, Trade and Consumer Protection has an important mission. The department works for all the people of Wisconsin to ensure:

- The safety and quality of food
- Consumer protection
- Fair business practices for the buyer and the seller
- Efficient use of agricultural resources in a quality environment
- Healthy animals and plants
- The vitality of Wisconsin agriculture and commerce

Food Safety and Labeling

DATCP licenses over 40,000 food establishments, and enforces Wisconsin's food safety, packaging and labeling laws. DATCP responds to food emergencies and outbreaks of food-borne disease, enforces compliance with food sanitation requirements, inspects the slaughter and processing of meat, supervises food and commodity grading, and regulates potential food adulterants. DATCP also regulates food advertising and labeling, including health and nutrition labeling.

Consumer Protection

DATCP is Wisconsin's primary consumer protection agency, handling over 200,000 complaints and inquiries annually. As the state equivalent of the Federal Trade Commission (FTC), DATCP has broad authority to regulate unfair and deceptive business practices. DATCP has adopted major rules related to direct marketing, telecommunications, landlord-tenant practices, motor vehicle repair, home improvement, weights and measures fraud, fair packaging and labeling, deceptive advertising, multi-level marketing, work recruitment schemes, mobile home parks and other matters. The agency also administers a "no-call" list to prevent unwanted telemarketing calls.

Unfair Business Practices

DATCP has broad authority to investigate and regulate unfair business practices, including practices that may inhibit free competition. For example, DATCP's investigation of Kirby vacuum cleaner distributors in Wisconsin received nationwide television coverage on a network news magazine program.

Consumer Product Safety

As the state equivalent of the federal Consumer Product Safety Commission, DATCP regulates hazardous consumer products and household substances. DATCP is also responsible for the environmental regulation of consumer products.

Financial Security

DATCP regulates dairy plants, grain warehouses, food processing plants, public storage warehouses and other businesses to protect farmers and consumers against catastrophic financial defaults. DATCP administers an industry-financed agricultural producer security fund with a current balance of about \$4 million, and holds over \$100 million in security filed by agricultural contractors, public storage warehouses and other regulated businesses.

Pesticides and Groundwater

DATCP regulates the sale and use of pesticides and other agricultural chemicals. DATCP licenses pesticide manufacturers, distributors and applicators, and enforces laws against the unsafe use of pesticides. The federal Environmental Protection Agency approves pesticide products and use directions. But DATCP restricts the use of some pesticides, such as atrazine, to protect groundwater and the environment. DATCP also directs cleanup efforts at major pesticide spill sites and administers a fund to reimburse eligible cleanup costs.

Land and Water Resources

DATCP administers the state farmland preservation program, the state soil and water conservation program, the conservation reserve enhancement program, and major programs related to nonpoint source pollution, drainage districts, and agricultural shore land zoning. These programs play a key role in state land use and resource conservation.

Animal Welfare and Disease Control

DATCP works to control serious animal diseases that threaten animal and human health. DATCP regulates animal imports and testing, and conducts quarantine and control programs. DATCP also works with local officials to ensure humane treatment of animals.

Plant Pest Epidemics

DATCP works to control major plant pests, such as gypsy moth, that threaten Wisconsin's crops, forests and plant communities.

Agricultural Marketing

DATCP creates agricultural marketing orders and oversees farmer-elected marketing boards, such as the Wisconsin Milk Marketing Board, that annually collect and spend over \$25 million in farmer assessments for market promotion and research. DATCP grades agricultural commodities, such as grain and vegetables. DATCP promotes Wisconsin agricultural products in interstate and international markets, and administers grant programs to promote agricultural development and diversification.

DEPARTMENT AUTHORITY

DATCP is primarily a regulatory agency, although it also provides many nonregulatory services. DATCP is the state-level equivalent of six federal agencies:

- Federal Food and Drug Administration (food safety and labeling)
- Federal Trade Commission (unfair and deceptive business practices)
- Consumer Product Safety Commission (consumer product safety)
- Department of Agriculture (meat inspection, animal and plant health, agricultural marketing, and land and water resources)
- Environmental Protection Agency (pesticides and groundwater)
- Department of Commerce (weights and measures, trade and commerce)

In one way or another, DATCP's jurisdiction extends to nearly every business in the state. The department has broad authority to make rules that have the force of law. DATCP also licenses approximately 100,000 individuals and businesses.

DATCP's first aim is to listen well, communicate effectively, and help producers, consumers and businesses solve problems. But DATCP also has substantial enforcement authority should that be necessary. The department may conduct hearings and investigations, perform inspections, issue subpoenas, collect and analyze samples, issue compliance orders, and suspend or revoke licenses. In cooperation with a local district attorney or the Department of Justice, DATCP may also prosecute law violations in court.

DEPARTMENT SERVICES

DATCP provides many services to the people of Wisconsin, including consumer and business information, complaint handling, laboratory testing, agricultural development and marketing services, farm assistance and more.

Persons needing assistance may call the department's toll-free hotlines. DATCP provides "grass roots" services throughout the state with regional offices in Milwaukee, Green Bay, Eau Claire and Madison; with commodity inspection offices in Stevens Point and Cambria, and at the ports of Superior, Milwaukee and Prairie du Chien. Department field staff is posted throughout the state.

LAWS ADMINISTERED BY THE DEPARTMENT

The department administers laws that the Legislature has enacted and assigned to DATCP. Most of these laws are found in chapters 88 to 100, 127, 134, 136 and 707 of the Wisconsin Statutes. Under authority granted by the Legislature, DATCP has adopted rules to implement these laws. DATCP rules are published under chapters ATCP 1 to ATCP 161 of the Wisconsin administrative code.

ORGANIZATION

The ATCP Board, a 9-member board of private citizens, establishes department policy at monthly meetings and approves all rules. Board members are appointed by the Governor, and confirmed by the Senate, for 6-year terms.

The Secretary of the department is appointed by the Governor and confirmed by the Senate. The Secretary administers the department and appoints DATCP's division administrators. DATCP is divided into six divisions:

- Food Safety
- Trade and Consumer Protection
- Agricultural Resource Management
- Animal Health
- Agriculture Development
- Management Services

DEPARTMENT STAFF

DATCP has a diverse and highly qualified professional staff that includes statisticians, chemists, economists, inspectors, investigators, consumer specialists, engineers, business and marketing professionals, science professionals, public health sanitarians, veterinarians, accountants, auditors, attorneys, hydrogeologists, agronomists, entomologists, and information technology professionals. Staff efficiency has enabled DATCP to handle growing responsibilities with fewer people. Today, DATCP has a total staff of about 608 compared to nearly 800 in 1980. About one-third of the staff is located outside of Madison.

DEPARTMENT BUDGET

DATCP's 2001-03 operating budget, including supplements, was \$185.3 million. Nearly one-fourth of this total is earmarked for aids to local governments, organizations and individuals. Funding is derived from a variety of sources, including: general purpose revenues (35%), program revenue and segregated license and user fees (52%) and federal grants (13%).

ATTACHED BOARDS AND COUNCILS

Several statutory boards and councils are attached to DATCP. DATCP also appoints citizen advisory committees to advise the department on major policy issues. These include standing advisory committees as well as temporary advisory committees related to specific issues.

MAJOR DEPARTMENT ACTIVITIES DURING 2001-2003

Dairy Policy Reform

DATCP worked with Wisconsin's congressional delegation and the Midwest Dairy Coalition to end the Northeast Dairy Compact, a regional cartel that mandates artificially high milk prices for farmers in member states and effectively keeps lower-cost producers from states like Wisconsin out of their market.

2002 Farm Bill

DATCP worked in support of the Milk Income Loss Contract (MILC) program, an income safety net for dairy producers during times of low milk prices. This landmark program in the 2002 Farm Bill treats all dairy producers the same no matter where they live, a welcome departure from the regional rivalries that have marred federal dairy policy in the past.

MILC is triggered when the price of milk used for drinking in Boston falls below \$16.94 per hundred pounds (cwt). Producers in all regions of the country receive 45 percent of the difference between \$16.94 and the lower market price, regardless of how their milk was used. Payments, targeted to benefit small to medium dairy farms, are capped at 2.4 million pounds annually (approximately a 135-cow herd). As of July 2003, Wisconsin producers have received \$314 million, by far the highest in the nation.

Partnering with the National Association of State Departments of Agriculture (NASDA), DATCP worked for the largest increase in conservation funding in the history of any Farm Bill. The record 80 percent increase for conservation spending - \$17.1 billion over 10 years - will help Wisconsin farmers meet new environmental standards and remain good stewards of the land.

Ethanol Grant Program

2001 Wis. Act 16 (biennial budget act) provided an annual appropriation to jumpstart ethanol production in Wisconsin. Ethanol, made from corn and other grain, is used as a gasoline additive to reduce air pollution. Ethanol production will benefit agricultural producers by increasing demand for agricultural commodities. DATCP has already adopted rules for the grant program, as required by prior legislation.

Chronic Wasting Disease (CWD)

Chronic Wasting Disease (CWD) was found in a white tailed deer in the wild in February 2002 and was subsequently found in some captive deer and elk herds. These discoveries led to a special session of the Legislature to address chronic wasting disease in deer and elk. Lawmakers provided funding for chronic wasting disease control and testing. DATCP's voluntary CWD program became a mandatory program for all deer farmers who wished to move deer into or around Wisconsin.

Telemarketing “No Call” List.

2001 Wis. Act 16 (biennial budget act) directed DATCP to develop a telemarketing “No Call” list. Consumers may contact DATCP to add their names to the list. Telemarketers must refrain from calling consumers who are on the list. DATCP adopted rules to register telemarketers and distribute “No Call” lists to registered telemarketers, who must pay fees to finance the program.

Redesigned Nonpoint Pollution Program

DATCP comprehensively redesigned Wisconsin’s rural nonpoint pollution control program, in cooperation with the Department of Natural Resources and the counties. New DATCP rules (ATCP 50) took effect on October 1, 2002. The rules spell out comprehensive farm conservation requirements and cost-sharing standards, standards for county programs, and procedures for allocating funds to counties. A revised administrative framework addresses county land and water plans, annual funding allocations to counties, accounting controls, county contracts, bond revenue funding, cost-share grants to landowners, certification of soil and water professionals, ordinance review, compliance and audit controls.

Conservation Reserve Enhancement Program (CREP)

DATCP implemented the \$240 million state-federal CREP program, which funds conservation easements on farms. Farmers may enter into 15-year agreements or permanent conservation easements. DATCP implemented this complex program with no additional staff, but is meeting ambitious program goals. DATCP implemented the program in cooperation with USDA (Farm Service Administration) and the counties.

Agricultural Producer Security

DATCP implemented the major new agricultural producer security program created by 2001 Wis. Act 16 (effective January 1, 2002). The program helps protect dairy, grain and vegetable producers against catastrophic financial defaults by processors and handlers (contractors). The new program offers better security for producers, at lower overall cost to contractors. DATCP administers an agricultural producer security fund with a current balance of about \$4 million. DATCP returned over \$70 million in individual security to processors, and hopes to return another \$90 million when the follow-up legislation is implemented. This will make Wisconsin dairy, grain and vegetable industries more competitive.

Technology Opportunities Grant

DATCP won \$620,000 grant from the U.S. Department of Commerce's Technology Opportunities Program (TOP) - one of only 25 awards made out of 695 applications. The agency collects a wide variety of data through its numerous programs, and the goal of this project is to integrate the department's information systems with data currently kept in a multitude of sites, in both manual and electronic media, into one cohesive system.

OFFICE OF THE SECRETARY

The Office of the Secretary includes the Secretary, Deputy Secretary, Executive Assistant and staff. Staff offices include:

- The DATCP Administrative law Judge
- The Office of Legal Counsel
- The Office of Budget and Planning
- The Wisconsin Agricultural Statistics Service

The DATCP Secretary administers the department, subject to the policy direction and supervision of the DATCP Board. All of the department's administrative powers are vested by law in the Secretary. The Secretary is appointed by the Governor and confirmed by the Senate, and serves at the pleasure of the Governor. The Secretary has ultimate responsibility for:

- Managing DATCP staff, programs and operations.
- Appointing the Deputy Secretary, Executive Assistant and division administrators.
- Representing DATCP in its relations with other persons and entities, including the Legislature and the Governor.
- Submitting rules, draft legislation, budget initiatives and other major policy items to the DATCP Board.
- Preparing and submitting biennial budget requests, with the approval of the DATCP Board.
- Adopting, amending and repealing rules, with the approval of the DATCP Board.
- Issuing formal orders on behalf of the department.
- Issuing final decisions in administrative "contested cases" based on recommendations by the department's administrative law judge.

The Deputy Secretary exercises all powers and authority of the Secretary when the Secretary is absent and performs other duties prescribed the Secretary. The Executive Assistant performs executive duties prescribed by the Secretary.

ADMINISTRATIVE LAW JUDGE

DATCP's administrative law judge presides over all administrative contested cases (e.g., license suspension hearings) brought before the department. The administrative law judge answers directly to the Secretary, and presides on behalf of the Secretary. The administrative law judge handled 197 new contested cases during the 2001-2003 biennium.

OFFICE OF LEGAL COUNSEL

The Office of Legal Counsel coordinates the department's wide-ranging legal operations, and provides in-house legal services to the department, the Secretary and the DATCP Board. The Office of Legal Counsel:

- Guides development of DATCP regulatory and enforcement policies and coordinates DATCP rulemaking activities
- Provides investigative and enforcement support for DATCP programs
- Provides legal advice and interpretations related to DATCP programs, including regulatory and enforcement activities, and represents line divisions in administrative litigation
- Drafts administrative rules and prepares draft legislation related to DATCP programs
- Assists district attorneys and the Department of Justice in court actions affecting DATCP, and represents DATCP in court as necessary. DATCP was involved in 230 new court cases during 2001-2003
- Represents DATCP in administrative litigation before other administrative agencies (before DATCP administrative law judge). DATCP was involved in 197 new administrative cases during 2001-2003
- Coordinates case-tracking and case management
- Provides legal advice and assistance to the DATCP Board, The Wisconsin Land and Water Conservation Board, and other attached boards and councils

During the 2001-2003 biennium, DATCP worked on important legislation and rules related to the following subjects, among others:

- Agricultural Producer Security
- Telemarketing "No Call" List
- Chronic Wasting Disease
- Captive Wildlife
- Nonpoint Source Pollution Program
- Farm Conservation Practices and Land Use
- Pesticides and Agricultural Chemicals
- Animal Disease Emergency Response

- Pet Facilities
- Consumer Protection
- Ethanol Grant Program
- Meat Inspection Program
- Johne's Disease
- Sales Below Cost (Unfair Competition)
- Weights and Measures
- Dairy Plants and Testing Labs

THE OFFICE OF BUDGET AND PLANNING

The Office of Budget and Planning assists the department, the Secretary, and the DATCP Board in developing the department's policy agenda and managing department programs. Among other things, the office:

- Coordinates state and federal legislative relations
- Prepares budget and policy analyses on major issues related to DATCP programs
- Reviews, analyzes, and assists the implementation of DATCP programs
- Analyzes organizational and management issues related to DATCP programs
- Facilitates multidisciplinary teams to address complex policy and program issues

WISCONSIN AGRICULTURAL STATISTICS SERVICE

The state-federal statistics service develops statistics on agricultural production, and provides statistical analyses related to a broad range of agricultural and non-agricultural issues. Among other things, the statistics service:

- Develops statistical estimates of Wisconsin agricultural production, inventories and prices
- Publishes state and federal agricultural statistics
- Coordinates statistical services with the US Department of Agriculture
- Conducts special statistical surveys and analyses, and provides statistical consultation services related to agricultural, trade and consumer protection issues to the department, the University of Wisconsin, UW-Extension and others

DIVISION OF FOOD SAFETY

The Division of Food Safety is responsible for the safety and wholesomeness of the state's food supply, from the point of production through processing, packaging, distribution, and retail sale. The division also protects consumers from fraud and the misbranding of food products.

The division licenses and inspects more than 16,000 dairy farms, 370 dairy plants, 192 certified laboratories, 3,400 bulk milk tankers and more than 6,800 other food processing businesses, meat slaughter and processing plants, food warehouses, grocery stores and other food businesses. Food and meat inspectors regularly inspect processing facilities and sample food and meat products.

Collaborative Development and Implementation of Retail Food Requirements

Previously, the division worked successfully with the Division of Public Health in the Department of Health and Family Services (DHFS) to eliminate duplication in inspection and licensing of grocery stores and restaurants. As a result, these businesses now receive one inspection, one license fee and one license issued by one agency, at a saving of over \$200,000 per year.

As the next step, DATCP and DHFS collaborated in the development of administrative rules that govern Wisconsin's retail food businesses. As a result, there are identical administrative rules for retail food establishments (e.g., retail food stores) and retail food service businesses (e.g., restaurants). The retail rules are nearly identical in content and format to the national model food code for retail food businesses. Following adoption of these rules the departments worked together in providing training to representatives of the retail food industry as well as state and local food regulatory staffs. This training was initially presented as in-person classroom training, but is now available on CD-ROM.

Creation of the Retail Food Advisory Council

A Retail Food Advisory Council was created to provide a forum for distributing information, clarifying regulatory requirements, and identifying, discussing and resolving industry questions or concerns. This council is comprised of representatives of the Wisconsin Grocers Association, representatives of individual retail food store operators and suppliers, and representatives of state and local food safety agencies.

Implementation of Monitoring Program for the Presence of the Pathogenic Bacteria, *E. coli* 0157:H7, in Wisconsin Meat Plants

As a result of many nationwide product recalls due to *E. coli* 0157:H7 and recent changes in federal regulations, the division's Bureau of Meat Safety and Inspection has implemented a program to reduce the risk of *E. coli* 0157:H7. The program requires meat-slaughtering establishments to reassess their food safety process control plans (i.e., HACCP plans) and to incorporate an intervention to control the risk of *E. coli* 0157:H7.

The Bureau introduced a sampling program to verify the effectiveness of the intervention methods by sampling beef carcasses for the presence of *E. coli* 0157:H7. The plan includes sampling of each slaughter plant at least 4 times per year. In addition the Bureau is introducing a ground beef-sampling program for *E. coli* 0157:H7. 200 ground beef samples will be collected analyzed annually.

Ensuring that Robotic Milking Systems Comply with Milk Safety Requirements

The division led efforts to assist the dairy equipment industry in defining options to ensure that robotic milking systems comply with current milk safety requirements. Division staff chaired a committee created by the National Interstate Milk Shippers Conference. This committee reviewed the design and operation of existing robotic milking systems and made recommendations that ensure that robotic milking systems are designed, installed, and operated in compliance with existing requirements. These recommendations have been adopted as an appendix to the national ordinance that governs the interstate shipment of Grade A milk.

Food Safety Task Force Steering Committee

This steering committee is a collaborative forum of representatives from state and local food safety agencies, food and dairy industries, academia, and consumers. The objective of the steering committee is to coordinate or connect local food safety initiatives to food safety issues and initiatives being discussed or developed at a regional or national level. The steering committee's primary role is to identify, define, and assign opportunities to convert strategic and policy level decisions into concrete actions in the state of Wisconsin. The Division of Food Safety provides staff support for this steering committee. Steering committee activities are partially funded by a small grant from the Food and Drug Administration.

DIVISION OF AGRICULTURAL RESOURCE MANAGEMENT

The Division of Agricultural Resource Management (ARM) works to ensure the wise and harmonious use of Wisconsin's land, water and plant resources, through a variety of programs dealing with:

- Pesticides and water quality
- Integrated pest management in schools
- Agrichemical spills and cleanup
- Soil and water resource management
- Farmland preservation
- Drainage districts
- Plant protection, pest surveys and control and export certification
- Animal feed, fertilizer and related products
- Agricultural impact assessments

Programs are regulatory but also designed to emphasize voluntary participation through training, information and education, and technical and financial assistance. Certification and compliance activities play an important role to ensure that all regulated parties comply with the standards.

Agrichemical Waste Collection

The Agricultural Clean Sweep Program collected its two-millionth pound of agrichemical waste in March, 2003. The program continues to be a popular means of disposing of unwanted or unusable agricultural chemicals stored for decades while farmers waited for a practical disposal option.

Agrichemical Spill Clean-up

The Agricultural Chemical Cleanup Program (ACCP) provided oversight at 268 long-term agrichemical spill sites involving fertilizer or pesticide contamination. Sites included farmsteads, farm centers, agricultural cooperatives, greenhouses and other pesticide handling locations. A total of 92 cases were completed and closed out. DATCP paid out \$8.4 million on 148 reimbursement claims for cleanup costs. The program rules were also modified to streamline the reimbursement process, while also assuring more complete documentation to better control dollars paid from the ACCP Fund.

The "Environmental Partners" Program was created and includes eighteen agrichemical facilities who are voluntarily participating with the objectives of identifying and implementing facility management practices that minimize the potential to cause environmental contamination and re-contamination at agrichemical mixing/loading sites.

Animal Feed

During the biennium the Animal Feed Program conducted inspections and investigations to address issues related to Bovine Spongiform Encephalopathy (BSE), Chronic Wasting Disease (CWD) and misuse of animal feed medications, reducing the potential impact on human health and livestock.

Assessment of Drinking Water Wells

The Water Quality Section completed the third statewide private well survey on atrazine to assess the effectiveness of its atrazine use restrictions. The survey also looked for other major use pesticides and their degradates. The survey found that fewer wells are contaminated with atrazine than found in previous surveys conducted in 1994 and 1997. The pesticide degradates, Alachlor ESA and Metalochlor ESA were the most frequently detected contaminants, found in 27.8 and 25.2 % of the wells tested. Groundwater standards for these compounds have not been established. The section developed and implemented additional atrazine use prohibition areas (PAs), bringing the total number of PAs to 103 encompassing 1.2 million acres.

The section also completed a lengthy assessment process related to proposed use of a new herbicide, isoxaflutole. The assessment indicated the potential for use of this compound to result in contamination of Wisconsin's water resources. The department proposed to allow use only under restrictions and conditions that would protect the resources. The pesticide manufacturer subsequently withdrew their application to distribute the product.

Nutrient Management Program

The department continued efforts to provide outreach to producers following enactment of ATCP 50 and NR 151, by the department and DNR. Work with counties and producer groups resulted in an 18 percent increase in the number of farm acres under nutrient management plans. The Water Quality Section provided considerable administrative and technical support to the Wisconsin Agricultural Stewardship Initiative (WASI) resulting in development of a funding proposal, further development of monitoring activities, and creation of the WASI Coordinating Council.

In addition, DATCP provided \$200,000 per year in grants to counties, producer groups and the University of Wisconsin to develop nutrient management plans and educational materials for landowners. In addition, some of the soil and water resource management program's annual allocations to counties for support costs were used to support county information and education efforts regarding soil and water conservation. These efforts reached thousands of urban, as well as rural, Wisconsin residents each year.

Pesticide Research

Six projects were funded at a total cost of \$160,000. Project topics were: 1) to evaluate nitrate leaching on soils receiving fertilizer and manure, 2) to evaluate the remediation of soil and groundwater using alfalfa, 3) to screen pesticides for developmental toxicity,

4) to study the effectiveness of phytoremediation of groundwater using aspen trees, 5) to study the occurrence of herbicide metabolites in two watersheds in Wisconsin, and 6) to evaluate the occurrence of antibiotics in soil and water resources in Wisconsin. Funding was cut from the previous level of \$135,000 annually due to necessary budget cuts that will continue.

Integrated Pest Management (IPM) in Schools Program

The program, with assisting consulting services from the University of Wisconsin entomology and horticulture departments (UW), has provided IPM training to personnel from more than 85 percent of Wisconsin's school districts. In addition to general outreach efforts, on-site assessments were conducted at more than 30 schools/school districts to determine status of IPM implementation, as well as compliance with new regulatory requirements mandating that all pesticide applications be made by department certified applicators and lengthened posting periods for treated areas.

County Soil and Water Grants

The Soil and Water Resource Management program provided a total of \$19.6 million during the biennium to counties for conservation staff and related support costs. The county conservation staff assists landowners in developing and maintaining their farm conservation plans, making the landowners eligible for several state and federal programs. In addition, DATCP allocated \$8.2 million to counties for cost-share grants to landowners for the installation of conservation practices that improve or protect water quality and soil conservation.

Farmland Preservation

DATCP reviewed and the Land and Water Conservation Board approved the text and maps for 11 exclusive agricultural zoning ordinances and four agricultural preservation plan amendments. DATCP also processed about 180 applications for farmland preservation agreements, 900 land transfers, and about 1,600 relinquishments during the biennium. Statewide, farmland preservation agreements now total about 7,300.

Counties work cooperatively with federal agencies to help farmers prepare conservation plans needed to meet the cross-compliance requirements of federal farm programs. Approximately 8.6 million cropland acres in the state are enrolled in federal conservation programs. In return, these landowners were eligible for about \$43 million in annual federal conservation reserve program contract payments.

Agricultural Impact Statements

DATCP prepared Agricultural Impact Statements for 55 proposed public projects during the biennium. Approximately 4,000 acres of farmland was affected by those projects. DATCP also entered into agreements with pipeline companies about the construction impacts of pipeline projects and techniques used to mitigate those impacts on farmland. As a consequence of these agreements, DATCP worked with landowners along 83 miles

of pipeline right of way to ensure that best management practices were utilized in constructing the project on agricultural areas.

Drainage Districts

County drainage boards oversee approximately 200 drainage districts in 30 counties. In the prior biennium, DATCP identified a number of weaknesses in the drainage district administrative rule (ATCP 48). With the assistance of an advisory committee, DATCP developed a revised rule to eliminate those weaknesses. Among other things, the revised rule guarantees a landowner's right to drainage as determined by cross-section, grade profile, and alignment maps. Preparing the drainage district maps is an enormous undertaking. To assist in this effort, the department allowed county land conservation committees (LCCs) to compete for soil and water resource management program grant funds specifically to cover limited support costs related to providing assistance to their county drainage boards. A total of \$88,000 was provided for this purpose during the biennium.

Land and Water Resources Management

DATCP worked during the biennium to implement changes to Chapter 92, Wis. Stats., which were brought about by *1997 Wisconsin Act 27*. The most significant accomplishment was to complete the guidelines for the revision of county land and water resource management plans. DATCP also completed the promulgation of administrative rules (ATCP 50) for the development and approval of the plans. By the end of the biennium, all 72 counties had prepared a department-approved land and water resource management plan. These plans will be revised at least every five years as landowners and state and local governments work to implement the new agricultural performance standards for run off pollution control.

Local Livestock Regulation

DATCP pursued a series of initiatives to address statewide concerns related to local livestock regulation. DATCP published *Livestock Guidance: Local Planning for Livestock Operations in Wisconsin* (April 2003) designed to improve the fairness and quality of local planning and regulation. The *Livestock Guidance* was the work product of an advisory committee that shared its recommendations with DATCP after meeting for over one year.

Pest Management

DATCP plays an important role helping agricultural producers, nursery growers, and the wood products industry protect the health of plant resources. DATCP worked in cooperation with the USDA Animal and Plant Health Inspection Service (APHIS) through inspection and certification of various plants and dealers/growers and through information and educational outreach activities.

During 2001, 446 nurseries were inspected of the 740 licensed nursery growers. Over 8100 acres were examined during the inspections. Wisconsin had 1014 licensed nursery

dealers in 2001. The department inspected 362 dealers in 2001. Christmas tree growers are now required to be licensed in Wisconsin. In 2001, 267 Christmas tree licenses were issued.

Staff made 53 gypsy moth egg mass inspections and they found egg masses at 17 nurseries. Twenty-nine nurseries are under compliance agreements for gypsy moth. No breaches of the compliance agreements have occurred. Several nurseries voluntarily treat for gypsy moth each year regardless of moth finds.

In 2001, eight sod growers were inspected for a total of 757 acres. All sod growers shipping interstate are trapped for Japanese beetle. No injurious pests were found. In 2001, 1,805 acres of seed crops were inspected for phytosanitary certification of seed: 49 corn fields equaling 1,050 acres, 9 cucumber fields equaling 7 acres and 25 soybean fields equaling 749 acres

During the 2002 season, DATCP inspected 400 growers of the 771 licenses issued, which is 51.9% of the licensed growers. Nursery inspections in the state are carried out by 8 inspectors who look for regulated and non-regulated pests, during the inspections at licensed nursery grower and nursery dealers within the state. Part of the nursery inspection process is to certify plant material for shipments to other states and countries. We issued 196 Plant Health Certificates for nursery stock and 12 for sod. There were 1160 acres of sod inspected at 12 sod growers.

This season 3,165 acres of seed crops were inspected for phytosanitary certification of seed. This represents a 47% increase over last year's total acreage. Eighty-four cornfields, equaling 2,451 acres, were inspected with no regulated plant pests found. Nine cucumber fields, equaling 7 acres, were inspected with no regulated plant pests found. Nineteen soybean fields, equaling 706 acres, were inspected and one was found positive for Soybean Cyst Nematode in Dane County.

Wisconsin Pest Bulletin

The Wisconsin Pest Bulletin provides information to more than 2,000 subscribers via hard copy or the Internet web (<http://www.datcp.state.wi.us>) on the latest pest events regarding pest management and pest detection relevant to Wisconsin. Growers use this information to make informed pest management decisions, such as determining the necessity and timing of spray applications of pesticides, and use of integrated pest management and other conservation practices. Pest surveys and inspections help growers improve their economic viability by minimizing the amount of pesticides needed to grow crops, and assuring that exports meet the various standards of the destination country.

Apiary Program

The apiary program documented the import of 31,236 honeybee queens and packages and 34,073 honeybee colonies for pollination to Wisconsin in 2001. Forty-six beekeepers from nine states submitted "Wisconsin Honey Bee Import Reports" and inspection certificates. A list of "Certified Queen & Package Producers Shipping to Wisconsin –

2001” was made available to Wisconsin beekeepers. The number of migratory colonies inspected by Apiary Program staff in 2001 was 6,675. Apiary inspectors surveyed and inspected 718 colonies in 2002. We certified 7,064 colonies for interstate shipment.

Pest Detection

The Cooperative Pest Survey Program is an alliance between field staff, laboratory staff and numerous cooperators located throughout the state. Field personnel are entomologists and plant pathologists who survey agricultural crops to monitor and assess pest trends. Plant pathologists diagnose plant disease, viruses, nematodes, and discern plant pathological agents staff the laboratory. A network of approximately 60 individuals located across the state regularly provides program staff with pest information. They are invaluable in providing information from parts of the state that our small field staff cannot access on a weekly basis.

In 2001, our staff surveyed 530 agricultural fields (corn, soybean, alfalfa, and small grain) in 60 counties throughout the state, between April 18 and October 5. In this multi-crop survey we monitor for and report on significant agricultural pests as well as unknown pests that may have arrived from other countries. Additionally, Pest Survey staff conducted three statewide surveys for European corn borer, corn flea beetle and soybean aphid, totaling 610 sites. Survey effort was similar for 2002 with additional “new pest surveys”. Findings were reported to growers throughout the growing season in the Wisconsin Pest Bulletin.

Gypsy Moth Program

In 2001, program staff set approximately 30,000 traps statewide. Gypsy moths were trapped in 62 of the state’s 72 counties. The male moth catch 378,939 was a record high, topping the previous year’s record of 215,502. The majority of the male moth catches continue to be in the quarantine counties. A total of 174,458 acres were treated to control gypsy moth in Wisconsin. Currently, 23 Wisconsin counties are under quarantine for gypsy moth.

In 2002, program staff set 26,196 traps statewide. Gypsy moths were trapped in 66 of the state’s 72 counties. The male moth catch total was 626,851. The majority of the male moth catches continue to be in the quarantine counties. Egg mass surveyors detected 48 egg mass positive sites from the 230 sampled sites (960 acres) in 29 counties. The 2002 gypsy moth program treated 325,981 acres in Wisconsin. Nine additional counties have been quarantined making a total of 32 counties under quarantine.

DIVISION OF TRADE AND CONSUMER PROTECTION

The Department of Agriculture, Trade and Consumer Protection is Wisconsin's primary consumer protection agency. The Division of Trade and Consumer Protection is responsible for ensuring fair business practices for the buyer and seller. The division is organized into two bureaus: Consumer Protection and Trade Practices.

BUREAU OF CONSUMER PROTECTION

During the 2001-03 biennium, DATCP's automated complaint handling system helped DATCP reduce the processing time for consumer complaints and gave DATCP managers valuable program evaluation tools.

In 2001, the Bureau of Consumer Protection recovered more than \$8.7 million for consumers. In 2002, the bureau increased this amount to \$18.9 million and handled nearly 200,000 complaints and inquiries.

Consumers can access DATCP's new Internet Web Site or call toll-free, day or night, for information and assistance: (800) 422-7128 - <http://datcp.state.wi.us/cp>. More than 91% of surveyed callers reported that they would use the Bureau services again. Consumers placed the value of the contact with DATCP at average savings of \$335.00.

No-Call List

During the 2001-03 biennium, the legislature passed major legislation which required DATCP to administer a "No-Call " list for telemarketers that:

- Allows consumers who do not wish to receive telephone solicitations to place their residential telephone number.
- Requires businesses who solicit by telephone into Wisconsin to register with DATCP
- Provides registered telephone solicitors with a copy of the list
- Prohibits solicitors from calling numbers on the No-Call list

DATCP's rules took effect December 1 2002 and more than 1.2 million telephone numbers are on the list. Consumers may register by telephone (866) 966-2255 or NoCall.Wisconsin.Gov.

Rules Protect Millions

DATCP rules protect millions of Wisconsin consumers every day and help ensure the clean business climate for which Wisconsin is famous. Current rules address, among other things:

- Telecommunications
- Deceptive advertising
- Landlord-tenant practices
- Home improvement
- Motor vehicle repair
- Home solicitation
- Weights and measures

During the 2001-03 biennium, the department adopted major new consumer protection rules related to

- Telemarketing
- Mobile Home Parks

The department also made significant revisions to major rules related to

- Weights and Measures
- Fraudulent business opportunities

Legislation

The department was also instrumental in consumer protection legislation regarding

- Telemarketing
- Agriculture producer security
- Home improvement practices

Information

Information changes business practices and helps consumers protect themselves.

DATCP's proactive information program generated widespread TV and press coverage on the following topics, among others:

- International scams utilizing counterfeit checks and the Internet
- Misleading claims for TV infomercials, including gasoline-saving device and "pain-relieving" bracelets and magnetic mattresses

- Division staff spent weekends outside hotels, warning consumers about get-rich-quick recruitment seminars, such as vending machine opportunities - costing \$60,000.

Investigative Authority

To investigate law violations under the jurisdiction, the department may

- Issue subpoenas
- Inspect business premises
- Collect and analyze samples
- Conduct financial audits
- Issue holding orders

LICENSING AND ADMINISTRATIVE ORDERS

The department licenses over 100,000 individuals and businesses and can suspend or revoke licenses for law violations. The department can also issue administrative orders prohibiting unfair and deceptive practices.

Product Recalls

In addition to the rules that ensure Wisconsin's clean business climate, DATCP enforces product safety laws that ban hazardous consumer products in Wisconsin to keep its citizens safe. DATCP issued consumer product safety recalls that potentially saved Wisconsin lives in addition to allowing consumers to return the unsafe product for refunds totaling more than \$641,900.00.

Court Enforcement

DATCP works with district attorneys and the Department of Justice to prosecute violations in court. District attorneys prosecute about 80 percent of DATCP's cases, including all criminal cases. Among the cases completed:

- *Publishers Clearing House (PCH)*: The State entered into a multi-state settlement agreement with PCH for targeting senior citizens with deceptive sales practices. Wisconsin's share is \$2.8.
- *Gasoline Pricing*: The division participated in several civil actions against outlets that changed the price of gasoline more than once in 24 hours.
- *Miss Cleo*: The psychic reader did not foresee that the division's investigation would force her company to return \$11.6 million to Wisconsin consumers for misrepresentations and unauthorized charges.
- *Product Safety*: Among the cases completed were
Kohl's Department Stores, Inc. - Civil Forfeiture (CF) of \$5,623.00
Saver's Thrift Stores - CF of \$5,652.00
Wicked Fashions - CF of \$45,470.50

BUREAU OF TRADE PRACTICES

Producer Security

The Producer Security Section is responsible for overseeing the Agricultural Producer Security Law. This law, which provides added assurance that grain, dairy and vegetable farmers will be paid for their products, was significantly revised during the biennium.

Previously, the program was based on contractors posting individual security. Grain dealers, grain warehouse keepers, dairy plant operators and vegetable contractors had to either meet minimum financial requirements or post a bond or letter of credit to help ensure producers would be reimbursed in the event of a default.

Today, the system is based on shared risk. Most contractors are required to pay assessments into the new Agricultural Producer Security Trust Fund. The assessments are based on the contractor's total liability to producers and their financial ratios. In the event a contributing contractor defaults on payments to farmers, the fund is available to repay some of the default.

Before this new system was in place, DATCP held about \$146 million dollars in individual security. As the new program was phased in during 2002, DATCP released about \$88 million worth of security. DATCP released an additional \$24 million during 2003 and is planning to release an additional \$64 million when the transition to the new program is complete.

Trade Practices

The Trade Practices Section continued its program of enforcing The Unfair Sales Act, The Dairy Trade Practices Law and several other general trade practice laws and regulations.

The Unfair Sales Act prohibits wholesalers and retailers from selling products at a price that is less than their "cost" of that product. In the case of motor vehicle fuel, tobacco products and alcoholic beverages, the definition of "cost" includes a minimum markup to cover a portion of the "cost of doing business".

The Dairy Trade Practices Law prohibits wholesalers of selected dairy products from:

- Deviating from written price lists
- Discriminating in price or service between like customers
- Supplying refrigerators, freezers and other retail display equipment for less than the cost of the equipment

The section performed numerous enforcement actions ranging from warning letters to special orders and forfeitures.

Fruit and Vegetable Inspection Services

Through a cooperative agreement, the USDA Agricultural Marketing Service (AMS) has delegated the department to inspect and grade the quality of fruits and vegetables, primarily potatoes, cranberries, apples, cherries, onions, and cabbage. Wisconsin produces 3.1 billion pounds of potatoes annually, ranking third in the nation. The department grades and certifies approximately 65 percent of the total production according to USDA quality standards. The value of the product inspected is approximately \$100 million to Wisconsin's farmers. This service facilitates interstate shipment under the USDA-Perishable Agricultural Commodities Act, gives producers quality control, provides uniform standards of product identity, and protects against product misbranding.

Grain and Commodity Inspection Services

Under a cooperative agreement, the USDA Federal Grain Inspection Service has delegated the department to grade, inspect and certify the quality and condition of bulk grain and processed grain commodities sold in both the domestic and international markets. The primary grain commodities inspected are barley, corn, flax, oats, rye, soybeans, sunflowers, canola, and wheat.

These programs operate on a fee for service basis. DATCP is continuing to work on increasing the efficiency of the grain and fruit & vegetable inspection units.

Ethanol Production Incentives

The Bureau of Business Trade Practices is also responsible for administering the state's new ethanol production incentive program. Producers of ethanol who produce a minimum of ten thousand gallons of ethanol are eligible for a state incentive payment of 20¢ per gallon (limited to 20 million gallons). If there is not enough money available in the fund, the incentive payments are prorated among the eligible applicants. Last year, the department paid out a total of \$2,945,000 to ethanol producers.

DIVISION OF AGRICULTURAL DEVELOPMENT

In 2001, the Division of Agricultural Development was reorganized and changed its name from the Division of Marketing to better provide resources to a changing agricultural community. The Division was reorganized into three groups: Agricultural Business Development, Farm Services, and Agricultural Market Development. These groups assist farmers and agribusiness in different ways, but each group shares a common goal: to find new business opportunities and help develop new markets for Wisconsin agriculture.

The Division also provides assistance in responding to the rapidly changing economic environment. Agriculture is a vital part of the state's economy. Production agriculture, food processing, and related businesses contribute \$40 billion each year to the state economy and account for one in five jobs in Wisconsin. The Division of Agricultural Development plays an important role in helping develop and expand Wisconsin agriculture.

AGRICULTURAL BUSINESS DEVELOPMENT GROUP

Agricultural Development and Diversification Grants

Agricultural Development and Diversification (ADD) program staff assist producers, commodity groups, cooperatives, agribusinesses, and producer alliances to develop their businesses and markets. ADD grants are awarded on a competitive basis to promote new value-added products and technologies, market development and research, feasibility studies, and efficient use of farmland and agricultural resources.

In the 2001-03 biennium, the Division awarded 51 ADD grants – together totaling \$927,000 – to new development projects across the state. These new projects generate economic return, leverage new capital investment into agriculture, create new jobs, preserve jobs, and develop new products.

DATCP also received \$3.1 million in USDA funds in 2001 for the Wisconsin Specialty Crop Industry. Through June 2003, the Division issued more than \$2.5 million to 22 different specialty crop groups in Wisconsin for use in crop research and market development.

Aquaculture

ADD program staff also provide industry assistance to enhance the emerging aquaculture sector in Wisconsin. In 2001, DATCP provided \$30,170 for research and development grants to the aquaculture industry to address environmental issues and farm production. Staff also responded to more than 800 requests for information on how to start an aquaculture business. In addition, DATCP co-sponsored and coordinated the annual Wisconsin Aquaculture Conference. Attendance averages 325 persons each year.

Value-added initiatives

Several new value-added agricultural initiatives were promoted and supported by the Division during the 2001-03 biennium, including a Wisconsin DOA Agri-Energy Production Grant Program. This \$120,000 DOA funded pilot project provided cost-sharing research and demonstration support for new technologies in the emerging agriculture-to-energy sector.

Wisconsin Dairy Artisan Program

Wisconsin is recognized as a national leader in dairy artisan development. Program staff assist Wisconsin farmers and small dairy product processors in adding value, profits and market development to their dairy production. The Division, using federal funding from the USDA, also partners with a host of agencies to provide a network of assistance. Interest in this program continues to grow: Today, 27 farms in Wisconsin are classified as artisan, up from just seven farms five years ago.

FARM SERVICES GROUP

Wisconsin Farm Center

The creation of the Wisconsin Farm Center in 1986 has enhanced the quality of personalized service the DATCP offers to farmers. The Wisconsin Farm Center serves as an information, resource and referral service. In addition to answering a toll-free hotline with more than 11,800 calls during the 2001-03 biennium, staff works on a variety of special projects and issues affecting Wisconsin producers.

- ◆ *Farmers Assistance – Financial & Legal Counseling*

Farm Center staff provide counseling to farmers trying to improve the viability of their farm businesses. More than 2,200 calls were made to the hotline for financial and legal counseling during the 2001-03 biennium. Farm Center staff train and support 60 volunteer credit advisors who provide direct one-on-one consultation and advice throughout the state.

In an effort to assist and encourage farmers wanting to add value to their milk, the Center organized a Farmstead Dairy Day Conference in 2001, attended by 250 people. The conference heightened the interests of farmers in farmstead dairy opportunities throughout Wisconsin.

- ◆ *Farm Link and Beginning Farmer Program*

The Farm Center provides assistance for farmers who want to retire, change careers, or relocate by helping develop a connection or network with others who want to enter agricultural industries.

In accord with its goal of supporting and encouraging future persons to enter production agriculture, the Center helped develop the Youth Apprenticeship in Production Agriculture program – the first such apprenticeship in the nation. In addition, staff developed a career path model for production agriculture and hosted

several workshops and publications statewide to assist farmers and key professionals in farm transfers.

- ◆ *Farm Mediation and Arbitration*

The Farm Center provides conflict resolution services to farmers and farm families of Wisconsin. The service is unique in that it utilizes unpaid volunteer mediators who provide farmers with an alternative to litigation. Sixty volunteer mediators are trained, managed and coordinated by Center staff. The Center mediates about 100 cases per year.

- ◆ *Rural Electric Power Services (REPS)*

The Center offers farmers and rural electric power distributors assistance relating to power issues and concerns. In 2001 and 2002, REPS staff assisted the Rural Energy Management Council in addressing state energy related issues affecting farmers. Staff conducted several workshops on stray voltage. The REPS veterinarian made 47 farm visits to assist farmers in addressing herd health and production problems.

- ◆ *Senior Farmers Market Nutrition Program*

This program offers direct market growth for farmers while providing nutritional benefits for at-risk seniors. The Center developed the proposal for a federally funded pilot under the Senior Farmers Market Nutrition Program. Qualifying seniors receive vouchers that can be used to purchase produce at Wisconsin's farmers markets. A total of 4,218 seniors are enrolled, with an overall coupon redemption rate of 77 percent.

AGRICULTURAL MARKET DEVELOPMENT GROUP

International AgriBusiness Center

The Division of Agricultural Development serves Wisconsin's agricultural industry by promoting the state's agriculture and food industries in national and international marketplaces. A key part of this service is the International Agribusiness Center (IABC), which identifies market development opportunities around the world for Wisconsin's agricultural companies and producers. In addition, the IABC provides technical expertise and market development initiatives to aid in the growth of Wisconsin agriculture through increased exports and the development of trade enhancing partnerships across the globe.

During the 2001-03 biennium, IABC staff at DATCP handled more than 6,000 export assistance requests from Wisconsin agribusinesses and producers – averaging about 12 requests per day. Each year, staff also conducted about 143 company consultations, 5 buyers missions, 13 trade events, 12 government delegations, and disseminated more than 900 trade leads to Wisconsin companies.

The IABC was instrumental in resolving key trade issues impacting Wisconsin exporters. Staff assisted the U.S. Veal Industry Task Force in addressing the Canadian tariff on milk replacer veal feed. As a direct result of an initiative led by DATCP, U.S. Customs

established an equivalent tariff on Canadian veal milk replacers as a measure to eventually bring about reduced tariffs on both sides of the border. Wisconsin is home to the three largest milk replacer manufacturers in the world.

IABC staff also led efforts in cooperation with the artificial insemination industry to avoid a pending trade barrier for cattle semen being imported into Argentina. Argentina is Wisconsin's fifth largest market for dairy semen, valued at \$1.6 million annually.

During the 2001-03 biennium, the division partnered with the Department of Commerce to establish a Wisconsin International Trade Team. This group promotes state export services through a common web page and joint advertising of programs and services. This partnership helps eliminate the perception of duplication and inefficiency between agencies, and provides cost savings on staff time.

The IABC also aggressively accessed more than \$3 million in federal funds for export market development and promotion through its membership in three USDA Foreign Agricultural Service industry cooperator groups. Those federal funds translated into:

- A 53:1 return on investment: Wisconsin agribusinesses reported making actual export sales totaling \$5.37 million (an additional \$11 million in long-term sales were estimated). This equates to a return of investment of \$53 per each state dollar spent on promotional and development activities.
- More than 875 new buyer contacts, 29 distributorships established, and 6 first-time export sales achieved for Wisconsin agricultural companies and producers.

State and National Marketing

◆ *Alice in Dairyland*

The Alice in Dairyland program takes an active role in communicating and further educating Wisconsin residents on the importance of agriculture. Each year during the 2001-03 biennium, Alice generated more than \$1 million in unpaid media coverage on television, radio and print. Alice travels the Midwest, appearing at more than 300 events and logging about 40,000 miles each year. Alice promotes Wisconsin's agricultural products to audiences of all ages, including the state's fourth-graders, where she enters more than 150 classrooms yearly.

◆ *Something Special from Wisconsin*

More than 200 companies take advantage of the Something Special from Wisconsin (SSfW) program, using the SSfW logo on their product labels, brochures, promotional material, trade show banners and signs. The market development program builds upon the state's reputation for quality products and workmanship in an effort to increase sales of Wisconsin products.

Only membership fees fund the program. Approximately \$10,000 is raised each year in membership fees to fund all SSfW promotional events and projects. These fees pay for the printing of a Suppliers Guide, advertising, trade shows, promotional activities conducted for the membership, and program supplies. In 2001-02, SSfW

events included the Wisconsin Restaurant Show, Wisconsin Trails magazine insert, Badger Blast, the Wisconsin State Fair, and the Chicago Tourist Window Display.

In a member survey conducted by the division in 2001, 87 percent of the respondents use the logo on their products, and 61 percent agreed that SSfW resulted in expanded sales for their companies.

◆ *County Fairs*

DATCP administers a program for Wisconsin's 76 County and District Fairs. In FY 02, \$555,700, and in FY 03, \$552,700 was distributed to the fairs, based on premiums paid to Junior, Open and Senior Citizen exhibitors. DATCP maintains the list of registered judges for fairs and distributes 30,000 fair entertainment brochures annually. In 2002, DATCP worked in partnership with the Wisconsin Association of Fairs to improve exhibits and to better showcase agriculture. More than 2.5 million people attend a Wisconsin county fair annually.

ADDITIONAL PROGRAMS

Agricultural Marketing Orders

In 2001, Wisconsin's eight marketing boards (cherries, corn, cranberries, ginseng, milk, mint, potatoes and soybeans) funded \$26 million in research and development, public education, as well as domestic and international marketing efforts. These boards and marketing orders are monitored and regulated by DATCP.

Wisconsin's agricultural marketing orders help farmers and agribusinesses maintain and expand national and international markets. For a marketing order to be created, farmers must vote and approve the order. Producers of the commodity elect fellow farmers to serve on a governing board. The division conducts and certifies yearly elections of all board members, as well as reviews board budgets, audits, and research contracts for compliance. Staff also enforces assessment collections and provides education and technical support to each board.

Market News

The division partners with the USDA to collect and report market information for dairy products, potatoes, poultry, livestock, grain and hay. Market News is the recognized neutral source for validated market information, including prices, supply, demand and market trends.

The division provides daily and weekly market news to 160 radio stations, 36 newspapers and receives 2,200 telephone calls each week. DATCP Market News supplies more than two hours of radio information to the agricultural community in Wisconsin every day, worth \$4 million in broadcast time.

DIVISION OF ANIMAL HEALTH

The Division of Animal Health (DAH) is responsible for the prevention, diagnosis and control of diseases that cause losses to the livestock industry and threaten human health. The division also assists local governments in the enforcement of laws for the humane treatment of animals.

In 2002 the long negotiated captive wildlife legislation was passed. The legislation expanded animal health's responsibilities in a number of areas.

- It transferred responsibility for approximately 600 farm-raised white-tailed deer from the DNR to DATCP. On January 1, 2003 white tailed deer became classified as livestock and are now required to comply with all disease testing that elk, red deer and other farm raised deer species have been complying with since they came under DATCP authority in 1997.
- It included game birds as required participants in the National Poultry Improvement Program. This requirement will add a number of additional flocks to the program and will require increase educational efforts to reach game bird breeders that may be unaware of the requirements.
- It changes DAH's licensing of livestock truckers, markets and dealers to animal truckers, markets and dealers. This change expands the scope of individuals required to license to include truckers, markets, and dealers that deal in wild animals as defined in Ch. 169 WI Statutes.

Emergency Response

The division worked closely with Wisconsin Emergency Management and county representatives to create an annex to the state plan on responding to an animal health emergency.

Additionally, the division won \$480,000 in federal funds to begin work on developing a private veterinarian corps as a resource in emergency responses and sent six state veterinarians to foreign animal disease (FAD) recognition training to facilitate quicker detection in the event that foreign animal disease is introduced. With this round of training all of DAH's field veterinarians are FAD trained.

Disease Prevention, Control and Eradication

Chronic Wasting Disease (CWD) was found in a white tailed deer in the wild in February 2002. This discovery led to a voluntary CWD program, which had been in place at the DATCP, becoming a mandatory program for all deer farmers who wished to move deer into or around Wisconsin. In September 2002, CWD was confirmed in a white tail deer shot in a hunting preserve. The herd was immediately quarantined and two additional herds were implicated by tracing animal movements. These herds have been quarantined and ordered depopulated. At this time only one of the herds has been depopulated; the remaining two are in dispute.

Minnesota also had a CWD positive that resulted in 32 elk traced to 6 herds in Wisconsin. One of the traced elk has tested positive and the herd has been depopulated. Only two elk from the traced animals remain alive and the herds containing those elk are under whole herd quarantines.

In 2003 there were 3,217 samples submitted for CWD testing compared to 386 the year before. Currently 366 herds are enrolled in the CWD monitoring program with another 232 enrollment applications pending. Herds that do not enroll this year will be unable to move live animals from their herd until they have been enrolled for five years.

The tuberculosis (TB) testing requirements to move cervidae in Wisconsin were modified to be consistent with the federal interstate movement requirements. In effect, these new, more stringent requirements will result in all herds moving live animals to be from a TB qualified herd. To date no farm raised white tailed deer have tested positive for tuberculosis. One TB positive elk was found in April 2002, the herd was depopulated. Currently there are 143 accredited cervidae herds and 89 qualified cervidae herds.

Johnes is a livestock disease that is contagious and causes significant economic losses to the livestock industry. Without testing, producers have no way of gauging the risk associated with animals they purchase to add to their herds. Over the past biennium DAH has provided \$327,000 in testing reimbursement to livestock producers testing and classifying their herds in regards to Johnes prevalence. Currently there are 522 Johnes classified herds.

In February of 2003 DAH hired a veterinarian to manage the Johnes program and increase awareness of the disease and its economic impact on the livestock industry as well develop herd plans, and develop a training module for private veterinarians to conduct risk assessments for their clients. This training module is receiving national attention.

Equine

The equine industry is a growing part of the Wisconsin agricultural landscape. DAH requires pre movement testing of horses for diseases such as Equine Infectious Anemia (EIA). Additionally, disease occurrences in horses of the State are reported to DAH and outbreaks are monitored. During the biennium five cases of Equine Infectious Anemia were reported; all five horses were euthanized. In 2003 there have been 33 reports with West Nile Virus in horses, of which 11 died of the disease or were euthanized, and four reported cases Eastern Equine Encephalitis; all died of the disease or were euthanized.

Aquaculture

The DATCP fish health program continues to be a model for state fish health programs. DAH has been asked to lead, and share our expertise in the development of state, and national fish health programs. While our resources are no greater and generally less than other state fish health programs ours has been very productive:

- DAH is chairing a group of fish health experts on strategies to control Spring Viremia of Carp in the U.S. This could have a very big impact on Wisconsin.
- DAH leads the region in training veterinarians to provide fish health services to fish farmers and resource agencies. In 2002 over 20 veterinarians were trained in our state and region, including ten veterinarians from Minnesota. In the spring of 2003 an additional fifteen veterinarians were trained in a short course that was developed and conducted with the University of Wisconsin, School of Veterinary Medicine.
- DAH has developed a fish import health certificate that is viewed as a model for the region. Over 200 fish import permits were issued and over 70 Reports of Veterinary Fish Health Assessments were assessed.
- The fish health program director is heading up the development of fish health best management practice standards for our region.
- There is a strong working relationship with industry, agencies and other stakeholders.

Humane

In December 1999 DAH began establishing training and certification standards for local humane officers. Humane officers training seminars are held annually. These seminars certify potential humane officers for local jurisdictions. Since the training program began in the spring of 2002, 232 people have been trained and 64 humane officers have been appointed by local jurisdictions.

The division conducted ten pet facility advisory committee meetings to discuss rule recommendations as directed in the 2001 biennial budget bill. The program would have required the licensing and regulation of a majority of pet facilities breeding or housing pets in the State. This program was scheduled to go into effect in February 2004, however, it was repealed in the 2003 biennial budget bill.

There were 36 rabies positive submissions to the State Laboratory of Hygiene during the biennium. The division issues and maintains quarantines on premises where these positive animals may have exposed other animals. During the biennium, 11 rabies informational training courses were conducted. These courses attract individuals employed by public health departments, police departments and humane societies. The division responded to numerous questions regarding rabies as well as other public health and zoonotic disease issues, working closely with local public health agencies.

Compliance and Inspection Activities

Periodic inspection of the 1,022 licensed dealers, truckers and markets is performed to educate and gain compliance with department record-keeping rules. Record keeping is essential for the eradication and control of diseases. Specific record-keeping requirements associated with licensing facilitate traceback of infected or exposed animals. Field staff has inspected 395 farm-raised deer farms to determine compliance with department rules and regulations. Emphasis is placed on educating the registered farm-raised deer farmers on record keeping, movement requirements (CVI and TB), official individual identification and the CWD monitoring program. Special attention is being given to white tail deer farmers who have not had to comply with these regulations previously.

DIVISION OF MANAGEMENT SERVICES

The Division of Management Services provides services to DATCP's line divisions, to the DATCP Secretary, and to the DATCP Board.

Bureau of Finance

The Bureau of Finance has overall responsibility for the fiscal management of the department including

- Preparing DATCP's biennial budget request in cooperation with the Secretary's Office and divisions
- Helping divisions establish and monitor operating budgets, and coordinating budget operations with the Department of Administration and the Legislative Fiscal Bureau
- Approving fiscal estimates related to proposed legislation and administrative rules
- Establishing and maintaining financial systems (including internal controls, pre-audit and post-audit of vouchers and accounting records) and processing all financial transactions for the department in coordination with the Department of Administration and the State Treasurer
- Depositing revenues and managing the receipt and expenditure of all funds
- Preparing and reviewing contracts in consultation with the divisions and the Office of Legal Counsel and helping divisions procure goods and services in compliance with state regulations
- Preparing and processing DATCP's employee payroll, including deductions, leave accounting, fringe benefits, worker compensation claims and unemployment claims.

Bureau of Information Technology Services

The Bureau of Information Technology Services (BITS) provides information technology services to the department by:

- Developing and maintaining applications and data bases for DATCP programs
- Providing voice and data telecommunications services for local and remote offices and field staff in home offices.
- Developing and implementing IT initiatives based on the business needs of the agency and the state enterprise.
- Supervising the procurement, installation and support of information technology, including hardware and software and network infrastructure.
- Supervising the management of DATCP documents, records and forms in both printed and electronic format
- Developing and maintaining the agency Internet website for public information dissemination

During the 2001-2003 biennium, BITS continued to implement DATCP information technology strategic plan objectives. Accomplishments that resulted from implementation of the plan include:

- The procurement and start of the implementation of the common customer database and the licensing, compliance, inspection and tracking system
- Implementing cost effective enterprise services as appropriate including use of the state's centralized help desk call center, utilizing the state's centralized IT inventory database and contracting for DET managed web-hosting services.
- Implementation of Elexnet – the first automated XML data exchange with Federal government to transfer lab test results data to a Federal database
- Developed stringent production control standards to improve data integrity, network security and application quality.
- Implemented network and system monitoring tools to provide proactive support for hardware/software/security problems before they impact network performance.
- Continued work on upgrading the network capacity to meet performance requirements without impacting cost of operation.

The Bureau of Information Technology Services continues to maintain its focus on ensuring the business needs of the agency drive technology enhancements. BITS is also continually assessing its agency customer service and improving services where fiscally feasible. The bureau is committed to making use of enterprise technologies and services where possible and establishing inter-agency liaisons when it is mutually beneficial to DATCP and its partners.

Bureau of Human Resources

The Bureau of Human Resources provides human resource management services to the department, including reasonable accommodations and the employee assistance program, and organizational and management analysis. Other services include:

Staffing

- Employee recruitment strategies
- Civil service examination and hiring
- Analyzing workforce demographics and staffing needs
- Developing and implementing affirmative action plans

Classification and Compensation

- Evaluating employee classification and compensation
- Developing and revising class specifications
- Implementing state pay plan changes
- Administering the Fair Labor Standards Act

Payroll

- Processing DATCP payroll transactions (including employee deductions, leave accounting, fringe benefits, worker compensation claims and unemployment compensation claims)
- Preparing payroll and tax reports (to the Department of Administration, the Department of Revenue and the U.S. Internal Revenue Service)
- Processing insurance premium payments and reports (to the Department of Employee Trust Funds and insurance carriers).

Employment Relations

- Administering equal rights and other employment laws
- Administering collective bargaining agreements
- Participating in collective bargaining
- Administering personnel policies
- Providing employee assistance and informal complaint resolution
- Advising on employee discipline
- Handling personnel cases and contract grievances

Training

- Assessing training needs
- Planning and coordinating department-wide employee training
- Providing human resource training
- Assessing training effectiveness

Performance Evaluation

- Assuring that managers evaluate staff performance
- Assisting in developing performance standards
- Counseling managers on performance evaluation issues.

Safety and Risk Management

- Developing and managing risk management policies and activities
- Participating in internal and external Emergency Response Committees
- Assessing current Emergency Response Plans
- Administering the Workers Compensation Program

Flexible Work Options

- The department's policy of offering employees a choice in selecting their work schedules continued during the 2001-03 biennium. Most employees have the opportunity to select work schedules that alter their starting and ending times.

Since July 1, 2001, the department conducted 105 staffing transitions. DATCP continues to utilize the Entry Professional Program for recruitment purposes, which provides faster, more flexible hiring procedures and allows more people to be interviewed than through traditional Civil Service Procedures. The department utilized the new broad-banding pay

provisions in recruiting key management and professional positions. During the biennium, the bureau was involved in two classification surveys and reviews involving office support and information technology. The bureau also conducted FLSA reviews on classifications covered by two professional collective bargaining agreements as well as nonrepresented classifications to assure that the FLSA status was correct. The bureau assisted department managers in one division level reorganization and one bureau level reorganization.

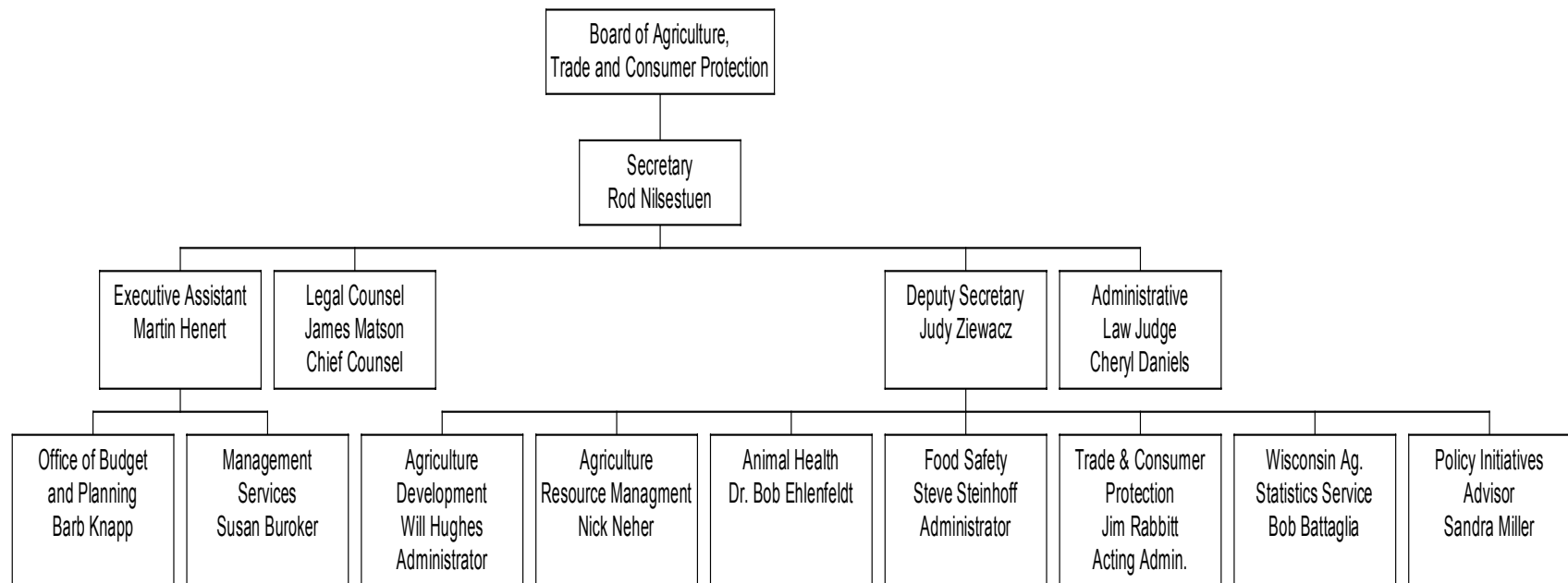
Bureau of Laboratory Services

The Bureau of Laboratory Services is the State's official laboratory supporting DATCP regulatory programs. Testing is done in support of several statewide programs that pertain to animal feed, fertilizers, pesticide misuse, agricultural chemical spills, agricultural chemical cleanup, protection of groundwater from agricultural chemicals, food safety, and enforcement of the Grade "A" pasteurized Milk Ordinance.

- The laboratory is Wisconsin's regulatory dairy testing lab supporting interstate shipment of grade "A" products by the dairy industry.
- The laboratory is the State's emergency response food testing laboratory in bacterial illness outbreak situations.
- The laboratory provides testing to aid in the prevention of contamination of groundwater and surface water from agricultural chemicals. Approximately 600 samples are analyzed each year for a variety of pesticides, nutrients, and pesticide metabolites.
- The laboratory analyzes several hundred samples annually taken in support of the agricultural clean-up program.
- The laboratory analyzes samples taken in support of the rapid response spills program.
- The laboratory provides priority testing as an integral part of the agency's emergency response team.

Highlights for the biennium include:

- FDA designated the laboratory's Milk Standards Program as one of only three providers nationwide of Certified Somatic Cell Standards.
- The Feed and Fertilizer Unit developed new capabilities to detect the illegal use of medications in animal feeds.
- The Microbiology Unit discovered contamination by disease causing bacteria of ground beef that led to nationwide recall.
- The Food Chemistry Unit partnered with the FDA in doing a risk assessment survey of apple related food products for the presence of the mold toxin Patulin.
- Laboratory management worked with other State lab managers to define roles in the State Laboratory counter-terrorism network.



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